

BUDGET & FINANCE

September 27, 2021

_____ - _____

Requested by the Department of Finance

Offered by MAYOR HARRIGAN and PRESIDENT SOMMERVILLE

ORDINANCE NO. _____-2021, authorizing Mayor Horrigan or his designee to accept, encumber, and expend funds allocated by the U.S. Treasury under the American Rescue Plan Act from the Coronavirus State and Local Fiscal Recovery Fund in the areas of community and youth violence prevention, housing, public utility support, local economic recovery, parks and public spaces, access to healthcare and social services, and budget stabilization; authorizing the Director of Finance or his designee to establish the American Rescue Plan Act of 2021 (ARPA) Fund and related actions; all in order to turn the tide on the COVID-19 pandemic, assist Akron residents hardest hit by the resulting economic and social crises, prevent direct rate or tax increases on Akron residents and workers, create and maintain jobs and small businesses, improve public spaces and housing conditions in Akron neighborhoods, curb the rise in homicides, invest in the lives of Akron youth at greatest risk of violence, and lay the foundation for a strong and equitable recovery for the entire Akron community; and declaring an emergency.

WHEREAS, the American Rescue Plan Act (ARPA) was passed by Congress on March 10, 2021, and signed into law on March 11, 2021; and

WHEREAS, ARPA established the Coronavirus State and Local Fiscal Recovery Fund (CSLFR Fund), and authorized the United States Department of the Treasury (U.S. Treasury) to make payments from the CSLFR Fund to states and eligible units of local government; and

WHEREAS, the U.S. Treasury will make total payment of approximately \$145,337,626 to the City of Akron, by virtue of 2 equal/approximately equal installment payments made respectively in 2021 and 2022, in order to address the COVID-19 public health emergency and its negative economic impacts (ARPA Funds); and

WHEREAS, the City will establish a separate special revenue fund to ensure that the City's ARPA Funds are appropriated and expended to support costs associated with the delivery of critical City services related to the COVID-19 response and to support investments in the Akron community; and

WHEREAS, these funds will be spent on areas of most urgent need, including community and youth violence prevention, housing, public utility support, local economic recovery, parks and public spaces, access to healthcare and social services, and budget stabilization, all in accordance with the federal guidelines established by the U.S. Treasury; and

WHEREAS, the City has an aging housing stock with the median date of construction for housing units in the City being 1952, and 64% of the units being built prior to 1960; and

WHEREAS, more must be done to keep both homeowners and renters in their homes, and to make those homes safe and healthy; and

WHEREAS, approximately one-quarter of the City's housing is in very good repair, while another one-quarter is extremely distressed, and the remaining 50% characterized as being at a tipping point; and

WHEREAS, Akron is consistently ranked among the lowest cost housing markets in the country, yet rents have risen sharply in the last two decades, while local wages have remained stagnant and Akron's eviction rate is the highest in Ohio and 24th highest in the entire nation; and

WHEREAS, the City has a responsibility to maintain water infrastructure for Akron residents and water customers while helping to offset the massive burden of the EPA-mandated sanitary sewer consent decree that has placed additional costs on Akron's utility ratepayers; and

WHEREAS, the COVID-19 pandemic placed extraordinary strain on Akron's small businesses that are still trying to recover from the financial impact of lost revenue; and

WHEREAS, the detrimental impacts of the COVID-19 pandemic were often even more pronounced among communities of color, where small business owners and workers also had to cope with their communities' higher incidence of serious COVID-19 complications; and

WHEREAS, small and local businesses will be the key to reviving and creating livable-wage jobs for Akron residents; and

WHEREAS, Akron lost 50 lives to homicide in 2020, making it the deadliest year in the past decade in terms of murder, and Akron has lost 38 lives so far in 2021 to violence, with all but two involving a gun; and

WHEREAS, in order to combat and address the root causes of violence, it is imperative to invest in those communities and youth most at risk for violence - also addressing the systemic lack of resources, mentoring, recreational opportunities or facilities, and economic opportunity in those communities and persons; and

WHEREAS, Akron residents have consistently expressed a need and desire for more and better public parks and public spaces that would increase recreational and entertainment opportunities across the City, a need that has only been amplified by the increased demand on outdoor and hybrid gathering places during times of social distancing; and

WHEREAS, the City has a responsibility to invest in safe and healthy public spaces for all Akron residents to enjoy; and

WHEREAS, the COVID-19 pandemic and resulting economic downturn have threatened the strength of City revenue sources and reserves, which must be shored up in order to maintain fiscal stability; and

WHEREAS, Akron City Council has determined that acceptance and expenditure of the ARPA Funds, in keeping with the City's stated priorities, is in the best interests, and furthers the health, safety, and welfare, of the citizens of Akron.

NOW, THEREFORE, BE IT ENACTED by the Council of the City of Akron:

Section 1. That Mayor Horrigan or his designee be, and is hereby, authorized to accept, encumber, and expend all funds allocated and/or directed to the City of Akron by the U.S. Treasury under the American Rescue Plan Act from the Coronavirus State and Local Fiscal Recovery Fund (or related funds).

Section 2. That the Director of Finance or his designee be, and is hereby, authorized to establish Fund FD22440 American Rescue Plan Act of 2021 (ARPA), as well as any additional funds/sub-funds or accounts, as may be necessary or incidental to the appropriation, encumbrance, and/or expenditure of ARPA Funds (Fund FD22440).

Section 3. That any interest accruing to Fund FD22440 may be transferred, appropriated, encumbered, and expended for purposes consistent with the intent of this ordinance, and as allowed by the U.S. Treasury. All investment earnings associated with the ARPA Funds and/or Fund FD22440 are also hereby appropriated and permitted to be expended consistent with and/or for the purposes of complying with federal requirements pertaining to investment earnings.

Section 4. That the Director of Finance or his designee is hereby authorized to expend ARPA Funds for the purposes of housing, public utility support, local economic recovery, community and youth violence prevention, parks and public facilities, and City IT and budget stabilization; and for such other purposes incidental to the foregoing priorities, including administrative fees and costs.

Section 5. That the Director of Finance or his designee is hereby authorized to transfer all ARPA Funds between and among any funds, sub-funds, and accounts, comprising or related to Fund FD22440, as necessary to allow for the posting of prior and future expenses, not to exceed the cash/funds available in Fund FD22440 as a whole.

Section 6. That any future deposits of ARPA Funds, as the City may receive from the U.S. Treasury, are hereby deemed appropriated, without further action of this Council, and are permitted to be expended for any purpose consistent with this ordinance.

Section 7. That the Director of Finance or his designee is hereby authorized to process any expenditure corrections within Fund FD22440, and between Fund FD22440 and other City funds/accounts, in order to accurately post financial data related to Fund FD22440.

Section 8. That the Director of Finance or his designee is hereby authorized to make any accounting changes to revise the funding source for all contracts, or contract modifications, associated with this ordinance.

Section 9. That the Mayor, Director of Finance, Director of Law, the Director of Planning and Urban Development, the Deputy Mayor for Integrated Development, the Director of Public Service, or their designees, be and are hereby authorized to execute, certify, and/or furnish other such documents and take all other actions, including entering into separate agreements, as are necessary or incidental to further the acceptance, appropriation, and expenditure of the ARPA Funds referred to in Sections 1 through 8 of this ordinance, and/or which are incidental to carrying out the purposes of this ordinance.

Section 10. That this ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of public peace, health, safety and welfare for the reason that it is immediately necessary to accept, encumber, appropriate, and expend these funds from the U.S. Treasury at the earliest possible time in order to ameliorate the effects of the COVID-19 pandemic within the City of Akron, and provided this ordinance receives the affirmative vote of two-thirds of the members elected or appointed to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force at the earliest time allowed by law.

Passed: _____, 2021

Clerk of Council

President of Council

Approved _____, 2021

MAYOR

RECEIVED
2021 SEP 27 AM 10:50
AKRON CITY COUNCIL

Akron City Council - Uniform Council Report (UCR)

PART I – General Information

Subject of Requested Legislation:

To accept and expend funds allocated by the U.S. Treasury under the American Rescue Plan Act from the Coronavirus State and Local Fiscal Recovery Fund

Department/Division: Mayor's Office and Department of Finance

Requestor: Shelley Goodrich

Phone/Ext: x2316

If applicable, previous legislation on this subject (reference by ordinance/resolution number):

N/A

Purpose/Objective of Legislation:

Authorization for the utilization of ARPA funds in the areas of housing, public utility support, local economic recovery, community and youth violence prevention, parks and public facilities, and budget stabilization.

PART II – Financial Information

Does this Legislation directly involve the expenditure of funds?

☒ YES

☐ NO

Was this expenditure budgeted for in the current operating budget?

☐ YES

☒ NO

If "YES," describe how the budgeted amount for the project compares to the actual or estimated costs:

ARPA funds were not anticipated or budgeted. Amendment to the existing budget ordinance will be made for expenditures in year 2021. Expenditures of ARPA funds beyond 2021 will be budgeted in future budget ordinances.

City Expenditures

Budgeted Costs	
Amount:	
Fund:	
Org:	
Acct:	

Estimate of Costs	
Amount:	
Fund:	
Org:	
Acct:	

Amount:	
Fund:	
Org:	
Acct:	

Amount:	
Fund:	
Org:	
Acct:	

City Receipts

City Receipt of Funds	
Amount:	\$ 145,337,626.00
Fund:	FD22440 (NEW)
Org:	
Acct:	

Other Consideration	

Total expenditure (if applicable): \$ 145,337,626

Total receipts (if applicable): \$ 145,337,626

PART III – DETAILED INFORMATION:

Attach detailed information/documentation, as described in UCR Instruction Sheet.